

Withholding Exemption Certificate

19

(For use by individuals, corporations, partnerships, limited liability companies, estates, trusts, tax-exempt entities and nonprofit organizations)

590

File this form with your withholding agent.

Withholding agent's name

Vendor/Payee's name

Vendor/Payee's address (number and street)

Vendor/Payee's daytime telephone number

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City

State

ZIP code

Read the following carefully and check the box that applies to the vendor/payee:

☐ **Certificate of Residency — Individuals:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See Side 2, General Information D, for the definition of a resident.

☐ **Corporations:**

The above-named corporation has a permanent place of business in California at the address shown above or is qualified to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See Side 2, General Information E, for the definition of permanent place of business.

☐ **Partnerships:**

The above-named partnership has a permanent place of business in California at the address shown above, and it is subject to the laws of California. The partnership will file a California return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent.

☐ **Limited Liability Companies (LLC):**

The above-named LLC has a permanent place of business in California at the address shown above, and it is subject to the laws of California. The LLC will file a California return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.

☐ **Tax-Exempt Entities and Nonprofit Organizations:** The above-named entity is exempt from tax under California or federal law. The tax-exempt entity or nonprofit organization will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.☐ **Irrevocable Trusts:**

At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.

☐ **Certificate of Residency of Deceased Person — Estates:**

I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) _____

Vendor/Payee's ☐ Social security number ☐ California corporation number or ☐ FEIN**(NOTE:** Failure to provide your identification number will render this certificate void.)

Vendor/Payee's signature _____ Date _____

For Privacy Act Notice, see form FTB 1131 (individuals only).

Instructions for Form 590

Withholding Exemption Certificate

References in these instructions are to the California Revenue and Taxation Code (R&TC).

General Information

A Purpose

Use Form 590 to obtain an exemption from withholding. Complete and present Form 590 to the withholding agent. The withholding agent will then be relieved of the withholding requirements if the agent relies in good faith on a completed and signed Form 590.

Do not use Form 590:

- If you are a seller of California real estate. Sellers of California real estate should use Form 590-RE, Withholding Exemption Certificate for Real Estate Sales; or
- To obtain a waiver from wage withholding administered by the Employment Development Department under the Unemployment Insurance Code.

B Law

The R&TC Section 18662 and the related regulations require withholding of income or franchise tax on payments of California source income made to nonresidents of this state.

Withholding is required on:

- Payments to nonresidents for services rendered in California;
- Distributions of California source income made to domestic nonresident partners and members and allocations of California source income made to foreign partners and members;
- Payments to nonresidents for rents if the payments are made in the course of the withholding agent's business;
- Payments to nonresidents for royalties for the right to use natural resources located in California;
- Distributions of California source income to nonresident beneficiaries from an estate or trust; and
- Prizes and winnings received by nonresidents for contests in California.

For more information on withholding and waiver requests, get FTB Pub. 1017, Nonresident Withholding – Partnership Guidelines, and FTB Pub. 1023, Nonresident Withholding – Independent Contractor, Rent and Royalty Guidelines. To get a withholding publication, call the Withhold-at-Source Section at (916) 845-4900.

C Who Can Execute This Form

Form 590 can be executed by:

- Residents of California.
- Corporations that are qualified to do business in California or have a permanent place of business in California.
- Partnerships that have a permanent place of business in California. (For withholding purposes, a Limited Liability Partnership is treated like any other partnership.)
- Limited Liability Companies (LLCs) that have a permanent place of business in California.
- Organizations that are exempt from tax under either California or federal law.
- California trusts. For withholding purposes, an irrevocable trust is considered a California trust if at least one trustee is a California

resident. Irrevocable trusts are required to withhold on distributions of California source income to their nonresident beneficiaries.

Note: The grantor of a revocable/grantor trust shall be treated as the vendor/payee for withholding purposes. Therefore, if the vendor/payee is a revocable/grantor trust and one or more of the grantors is a nonresident, withholding is required. If all of the grantors of a revocable/grantor trust are residents, no withholding is required. Resident grantors can check the box on Side 1 labeled "Certificate of Residency — Individuals."

- California estates. (For withholding purposes, an estate is considered a California estate if the decedent was a California resident at the time of death. Distributions of California source income to nonresident estates are subject to withholding.)

D Who is a Resident

A California resident is any individual who is in California for other than a temporary or transitory purpose or, any individual domiciled in California who is absent for a temporary or transitory purpose.

An individual domiciled in California who is absent from California for an uninterrupted period of at least 546 consecutive days under an employment-related contract is considered outside California for other than a temporary or transitory purpose. This does not apply if an individual has income from stocks, bonds, notes or other intangible personal property in excess of \$200,000 in any taxable year in which the employment-related contract is in effect.

A spouse who is absent from California for an uninterrupted period of at least 546 days to accompany a spouse who is under an employment-related contract is considered outside of California for other than a temporary or transitory purpose.

Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident. For assistance in determining resident status, get FTB Pub. 1031, Guidelines for Determining Resident Status, or call the Franchise Tax Board (FTB), Taxpayer Services Center at the numbers listed in General Information G.

E What is a Permanent Place of Business

A corporation has a permanent place of business in California if it is organized and existing under the laws of California or, if it is a foreign corporation qualified to transact intrastate business by the California Secretary of State's Office. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in California only if it maintains a permanent office in California that is permanently staffed by its employees.

F Withholding Agent

Keep Form 590 for your records. Do not send this form to the FTB unless it has been specifically requested by the FTB. If the withholding agent has received Form 594, Notice to Withhold Tax at Source, and the vendor/payee completes Form 590 indicating that they are not subject to withholding, send a copy of Form 590 with Form 594 to the FTB. For more information, contact the Withhold-At-Source Section. See General Information G.

The vendor/payee must notify the withholding agent if:

- The individual vendor/payee becomes a nonresident.
- The corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California.
- The partnership ceases to have a permanent place of business in California.
- The LLC ceases to have a permanent place of business in California.
- The tax-exempt entity loses its tax-exempt status.

The withholding agent must then withhold the tax at source, remit the withholding using Form 592-A, Nonresident Withholding Remittance Statement, and complete Form 592, Nonresident Withholding Annual Return and Form 592-B, Nonresident Withholding Tax Statement. Get instructions for Forms 592, 592-A and 592-B for due dates and other withholding information.

G Additional Information

WITHHOLD-AT-SOURCE SECTION
FRANCHISE TAX BOARD
PO BOX 651
SACRAMENTO CA 95812-0651

Telephone: (916) 845-4900
FAX: (916) 845-4831

FTB Taxpayer Services Center

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| From within the United States | 1-800-852-5711 |
| From outside the United States, (not toll free) | 1-916-845-6500 |
| For hearing impaired with TDD | 1-800-822-6268 |